## 070004041

11.

INSTRUMENT PREPARED BY VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

DOCKET NO. VGOB 06/09/19-1718

ELECTIONS, UNIT: VC-535926

(hereinafter "Subject Drilling Unit").

REPORT OF BOARD

#### FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on September 19, 2006 and recorded in Instrument # 070000694 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on February 27, 2007, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.

#### 2. Findings: The Board finds that:

- (a) The Board Order directed Equitable Production Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
- (b) The designated operator filed its affidavit of mailing dated April 2, 2007, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
- (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the

Designated Operator has filed its affidavit dated July 3, 2007, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;

- (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
- (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Wachovia Bank, N. A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (888) 396-0853, Attn: Judy Barger, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
- 3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank N. A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (888) 396-0853, Attn: Judy Barger, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
- 4. <u>Mailing of Order and Filing of Affidavit</u>: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each person whose interest or claim is subject to escrow and whose address is known.
- 5. <u>Conclusion:</u> Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
- 6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this Benny R. Wangler, Chairman

DONE AND EXECUTED this day of October, 2007 by a majority of the Virginia Gas and Oil Board.

DONE AND EXECUTED this day of October, 2007 by a majority of the Virginia Gas and Oil Board.

B. R. Wilson
Principal Executive to the Staff Virginia Gas and Oil Board

STATE OF VIRGINIA COUNTY OF WASHINGTON

Acknowledged on this day of October, 2007, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared B. R. Wilson, being duly sworn did

depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board that they executed the same and were authorized to do so.

Diane J. Davis, Notary

174394

My commission expires: September 30, 2009

#### **VIRGINIA:**

#### BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of Equitable Production Company, for Forced Pooling of Interests in Unit Number VC-535926 VGOB Docket No. VGOB-06/09/19-1718 in the Hurricane Magisterial District of Buchanan County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

- 1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
- 2. That the Order entered on September 19, 2006, by the Virginia Gas and Oil Board regarding the captioned coalbed methane Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
- 3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
- 4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on February 27, 2007.
- 5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

TRACT	<u>NAME</u>	ELECTION
3	Virginia Lee Linwick and Phillip G. Linwick, W/H 4324 South Ball Drive Veradale, Washington 99037	Participate

TRACT	<u>NAME</u>	<b>ELECTION</b>
3	Buchanan Realty Ltd Partnership c/o John C. Irvin 4710 Hunterwood Circle Richmond, TX 77469	Participate
	Richard Pobst and Kathi Pobst, H/W c/o John C. Irvin 4710 Hunterwood Circle Richmond, TX 77469	Participate
	Gary Roger Hurley and Agnes Geraldine Hurley, H/W Rt 1, Box 392 Vansant, VA 24656	Cash Consideration
	Sandra Hoback Kidwell and H. Eugene Kidwell, W/H 2010 Cypress Drive Culpepper, VA 22701	Cash Consideration
	CNX Gas Company, Lessee P.O. Box 947 Bluefield, VA 24605	Participate
	Meredith Ellis Jennings 542 Butler Mill Road Maryville, TN 37803	Participate

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow as either unknown claiments or conflicting claiments under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

TRACT	LESSOR	LEASE STATUS	NET REVENUE INTEREST
2	Gary Roger Hurley and Agnes Geraldine Hurley, H/W Rt 1, Box 392 Vansant, VA 24656	Unleased	0.00985000
OR	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241490L	0.00985000

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims.

#### NONE

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

Tract	Lessor	Cash Consideration
3	John W. Pobst, Jr. and Lynda Pobst, H/W P.O. Box 86 Revere, PA 18953	0.0230  X  \$5.00 = \$0.12
	Lucille Vicars, widow P.O. Box 797 Wise, VA 24293	0.0460 X \$5.00 = \$0.23
	Catherine Pobst, single c/o John C. Irvin 4710 Hunterwood Circle Richmond, TX 77469	0.0230  X  \$5.00 = \$0.12
	John Tolman Sheffield Trust c/o E. B. Seale 2747 North O'Connor Road Irving, TX 75062	$0.1150 \times \$5.00 = \$0.58$
	Oryn T. Sheffield Jr. Trust c/o E. B. Seale 2747 North O'Connor Road Irving, TX 75062	$0.1150 \times \$5.00 = \$0.58$
	Hugh P. Cline and Nancy Cline, H/W 312 NW Henry Street Norton, VA 24273	0.0230 X \$5.00 = \$0.12
	Allison Paige Weaver Mangrum and Michael Mangrum W/H 912 Erik Paul Drive Chesapeake, VA 23322	0.0259 X \$5.00 = \$0.13
	R. O. Crockett, Jr. widower c/o Robert Dexter Crockett 10877 San Gabriel Way Valley Center, CA. 92082	0.0575 X \$5.00 = \$0.29

Tract	Lessor	Cash Consideration
3	Elizabeth Jean Crockett McCutcheon and Allan McCutcheon W/H 6601 Leesburg Street Lincoln, NE 68516	0.0230 X \$5.00 = \$0.12
	Jennifer Lynn Crockett Peterson and Robert Peterson, W/H 9 Long N Point Lane Media, PA 19063	0.0230 X \$5.00 = \$0.12
	Robert Dexter Crockett and Christy Crockett H/W 10877 San Gabriel Way Valley Center, CA, 92082	0.0230 X \$5.00 = \$0.12

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this \_\_\_

day of

2007.

Affiant

My commission expires: \_//-12-08

Notary

# EXHIBIT "B" VC-535926

## **REVISED 06-06-07**

TRACT	<u>LESSOR</u>	LEASE STATUS	INTEREST WITHIN <u>UNIT</u>	GROSS ACREAGE <u>IN UNIT</u>
	Gas Estate Only			
1	Pine Mountain Oil & Gas, Inc. Attn∷ Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased EPC 241490L T-615	82.350000%	48.4000
	Equitable Production			
Tract 1 Total	S		82.350000%	48.4000
2	Sarah Geneva Owens, single Rt 2, Box 276 Honaker, VA 24260	Leased EPC 241909L Life Estate	0.000000%	0.0000
	Gary Roger Hurley and Agnes Geraldine Hurley, H/W Rt 1, Box 392 Vansant, VA 24656	Unleased Remainderman cash consideration	7.880000%	4.6300
	Equitable Production			
Tract 2 Total	s		7.880000%	4.6300
3	Meredith Ellis Jennings 542 Butler Mill Road Maryville, TN 37803	Unleased Participate	0.078500%	0.0460
	John W. Pobst, Jr. and Lynda Pobst, H/W P.O. Box 86 Revere, PA 18953	Unleased	0.039250%	0.0230
	Lucille Vicars, widow P.O. Box 797 Wise, VA 24293	Unleased	0.078500%	0.0460
	Catherine Pobst, single c/o John C. Irvin 4710 Hunterwood Circle Richmond, TX 77469	Unleased	0.039250%	0.0230

c/ 2	ohn Tolman Sheffield Trust /o E. B. Seale 747 North O'Connor Road ving, TX 75062	Unleased	0.196250%	0.1150
c/ 2	Pryn T. Sheffield Jr. Trust /o E. B. Seale 747 North O'Connor Road ving, TX 75062	Unleased	0.196250%	0.1150
Ji P	earl McAfee and ulia McAfee, H/W .O. Box 656 lorton, VA 24273	Leased EPC 243317L	0.039250%	0.0230
N 3	lugh P. Cline and lancy Cline, H/W 12 NW Henry Street lorton, VA 24273	Unleased	0.039250%	0.0230
M 9	Ilison Paige Weaver Mangrum and Iichael Mangrum W/H 12 Erik Paul Drive thesapeake, VA 23322	Unleased	0.044156%	0.0259
6	effery Robert Weaver, single 263 McNeil Drive-1327 .ustin, TX 78729	Leased EPC 243317L	0.044156%	0.0259
C/ 1	t. O. Crockett, Jr. widower /o Robert Dexter Crockett 0877 San Gabriel Way /alley Center, CA. 92082	Unleased	0.098125%	0.0575
H 2	andra Hoback Kidwell and I. Eugene Kidwell, W/H 010 Cypress Drive sulpepper, VA 22701	Unleased Cash consideration	0.088313%	0.0518
A 6	lizabeth Jean Crockett McCutcheon and Ilan McCutcheon W/H 601 Leesburg Street incoln, NE 68516	Unleased	0.039250%	0.0230
R 9	ennifer Lynn Crockett Peterson and tobert Peterson, W/H Long N Point Lane ledia, PA 19063	Unleased	0.039250%	0.0230
C 1	Robert Dexter Crockett and Christy Crockett H/W 0877 San Gabriel Way Valley Center, CA. 92082	Unleased	0.039250%	0.0230

	Buchanan Realty Ltd Partnership c/o John C. Irvin 4710 Hunterwood Circle Richmond, TX 77469	Unleased Participate	0.392500%	0.2300
	Virginia Lee Linwick and Phillip G. Linwick, W/H 4324 South Ball Drive Veradale, Washington 99037	Unleased Participate	0.039250%	.0.0230
:	Richard Pobst and Kathi Pobst, H/W c/o John C. Irvin 4710 Hunterwood Circle Richmond, TX 77469	Unleased Participate	0.039250%	0.0230
	Equitable Production			
Tract 3 Totals	<b>S</b>		1.570000%	0.9200
4	J. D. Nicewonder and Lorraine Nicewonder, H/W 148 Bristol East Road Bristol, VA 24202-5500	Leased EPC 243957L	1.366694%	0.8033
	Donald Nicewonder and Etta Nicewonder, H/W 15314 Majestic Drive Bristol, VA 24202-3924	Leased EPC 243957L	1.366694%	0.8033
	Wilma N. Overbey, widow a.k.a. Wilma Lois Nicewonder 213 North Church Street Marion, VA 24354	Leased EPC 243957L	1.366612%	0.8033
	Garden Realty Corporation c/o Ann B. Worley 108 Bexley Road Mooresville, WV 28117	Leased to CNX Gas Company	0.000000%	0.0000
	CNX Gas Company, Lessee P.O. Box 947 Bluefield, VA 24605		4.100000%	2.4100
	Equitable Production			
Tract 4 Totals	3		8.200000%	4.8200
	TOTAL GAS ESTATE		100.000000%	58.7700

### Coal Estate Only

1	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased EPC 241490L T-615	82.350000%	48.4000
	Equitable Production			
Tract 1 Total	8		82.350000%	48.4000
2	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241490L	7.880000%	4.6300
	Equitable Production			
Tract 2 Total	8		7.880000%	4.6300
3	Meredith Ellis Jennings 542 Butler Mill Road Maryville, TN 37803	Unleased	0.078500%	0.0460
	John W. Pobst, Jr. and Lynda Pobst, H/W P.O. Box 86 Revere, PA 18953	Unleased	0.039250%	0.0230
	Lucille Vicars, widow P.O. Box 797 Wise, VA 24293	Unleased	0.078500%	0.0460
·	Catherine Pobst, single c/o John C. Irvin 4710 Hunterwood Circle Richmond, TX 77469	Unleased	0.039250%	0.0230
	John Tolman Sheffield Trust c/o E. B. Seale 2747 North O'Connor Road Irving, TX 75062	Unleased	0.196250%	0.1150
	Oryn T. Sheffield Jr. Trust c/o E. B. Seale 2747 North O'Connor Road Irving, TX 75062	Unleased	0.196250%	0.1150
	Carl McAfee and Julia McAfee, H/W P.O. Box 656 Norton, VA 24273	Leased EPC 243317L	0.039250%	0.0230

Tract 3 Totals			1.570000%	0.9200
	Equitable Production			
	4710 Hunterwood Circle Richmond, TX 77469			
	Richard Pobst and Kathi Pobst, H/W c/o John C. Irvin	Unleased Particpate	0.039250%	0.0230
	4324 South Ball Drive Veradale, Washington 99037			
	Virginia Lee Linwick and Phillip G. Linwick, W/H	Unleased Particpate	0.039250%	0.0230
	Buchanan Realty Ltd Partnership c/o John C. Irvin 4710 Hunterwood Circle Richmond, TX 77469	Unleased Particpate	0.392500%	0.2300
	Robert Dexter Crockett and Christy Crockett H/W 10877 San Gabriel Way	Unleased	0.039250%	0.0230
	Jennifer Lynn Crockett Peterson and Robert Peterson, W/H 9 Long N Point Lane Media, PA 19063	Unleased	0.039250%	0.0230
	Elizabeth Jean Crockett McCutcheon and Allan McCutcheon W/H 6601 Leesburg Street Lincoln, NE 68516	Unleased	0.039250%	0.0230
	Sandra Hoback Kidwell and H. Eugene Kidwell, W/H 2010 Cypress Drive Culpepper, VA 22701	Unleased	0.088313%	0.0518
	R. O. Crockett, Jr. widower c/o Robert Dexter Crockett 10877 San Gabriel Way Valley Center, CA. 92082	Unleased	0.098125%	0.0575
	Jeffery Robert Weaver, single 6263 McNeil Drive-1327 Austin, TX 78729	Leased EPC 243317L	0.044156%	0.0259
	Allison Paige Weaver Mangrum and Michael Mangrum W/H 912 Erik Paul Drive Chesapeake, VA 23322	Unleased	0.044156%	0.0259
	Hugh P. Cline and Nancy Cline, H/W 312 NW Henry Street Norton, VA 24273	Unleased	0.039250%	0.0230
	•			

	TOTALCOAL ESTATE		100.000000%	58.7700
Tract 4 Tota	als		8.200000%	4.8200
	Equitable Production			
	CNX Gas Company, Lessee P.O. Box 947 Bluefield, VA 24605		4.100000%	2.4100
	Garden Realty Corporation c/o Ann B. Worley 108 Bexley Road Mooresville, WV 28117	Leased to CNX Gas Company	0.000000%	0.0000
	Wilma N. Overbey, widow a.k.a. Wilma Lois Nicewonder 213 North Church Street Marion, VA 24354	Leased EPC 243957L	1.366612%	0.8033
	Donald Nicewonder and Etta Nicewonder, H/W 15314 Majestic Drive Bristol, VA 24202-3924	Leased EPC 243957L	1.366694%	0.8033
4	J. D. Nicewonder and Lorraine Nicewonder, H/W 148 Bristol East Road Bristol, VA 24202-5500	Leased EPC 243957L	1.366694%	0.8033

VIRGINIA:	In the Clerk's Office of the Circuit Court	of Buchanan County. Tl	he foregoing instrument was this day pre-	sented in the office
aforesaid and is,	In the Clerk's Office of the Circuit Court together with the certificate of ackowledger rument No. 27 000404	ment annexed, admitted t	to record this <u>394</u> day of <u>Octo</u>	sher,
	rument No. 01 000404		TESTE: Beverly S. Tiller, Clerk	
Returned to:	Dmm E	TESTE:	Generaly S. Oller	Clerk

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FORR 29. 2007 AT 04.0791